GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3799
ANSWERED ON:23.12.2004
THEFT OF LPG CYLINDERS FROM LPG GODOWNS
Singh Shri Brij Bhushan Sharan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the policy of the Government owned oil companies about the theft of LPG cylinders from the godown of LPG agencies ;

(b) whether these oil companies asked their dealers to get insured the stock of cylinders only at Government controlled prices ;

(c) whether Government owned oil companies are first claiming the value of the cylinders at market price and after proving the theft as genuine by the police / court the difference of market price and Government controlled price is returned to LPG Distributor and the Insurance company make the payment @ Government controlled price ;

(d) whether Oil Companies are not following the above cited policy by not paying the difference between market price and Government rates ;

(e) if so, the number of such cases are pending with Oil Companies ;

(f) if so, the details thereof ; and

(g) the action taken by the Government in this regard ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) : The policy adopted by Public Sector Oil Marketing Companies (OMCs) regarding the theft of LPG cylinders from the godown of an LPG distributor is as under:-

(i) The LPG distributor is required to lodge an FIR with the police immediately after theft of cylinders and also to inform the OMC.

(ii) The Area office of the OMC raises a debit note for the cylinder shortage at penal rates after arriving at the number of cylinders, falling short at the distributors godown. (In case of HPCL, the distributor is required to pay at tariff rate immediately and also give an undertaking that he will pay at penal rate if, at a later stage, theft is proved to be otherwise).

(iii) The distributor is required to submit final report from police or competent authorities within six months from the date of theft, in order to conclusively prove that the shortage of equipment is on account of theft.

(iv) After verification of documents, if the theft is proved as genuine, the difference between the amount collected earlier at penal rates and the amount at tariff rates is refunded to the distributor.

(b) OMCs do not give any instruction to the LPG distributors with respect to insurance coverage for LPG cylinders. The distributors are free to get the cylinder stock insured in their own interest and it is strictly an agreement between the distributor and insurance company.

(c) : OMCs decide the penalty on account of theft of cylinders as given in (a) above.

(d) to (g) : OMCs have reported that they are following the policy in the matter as given above. However, if any specific case is brought to notice of Government, it shall be investigated.